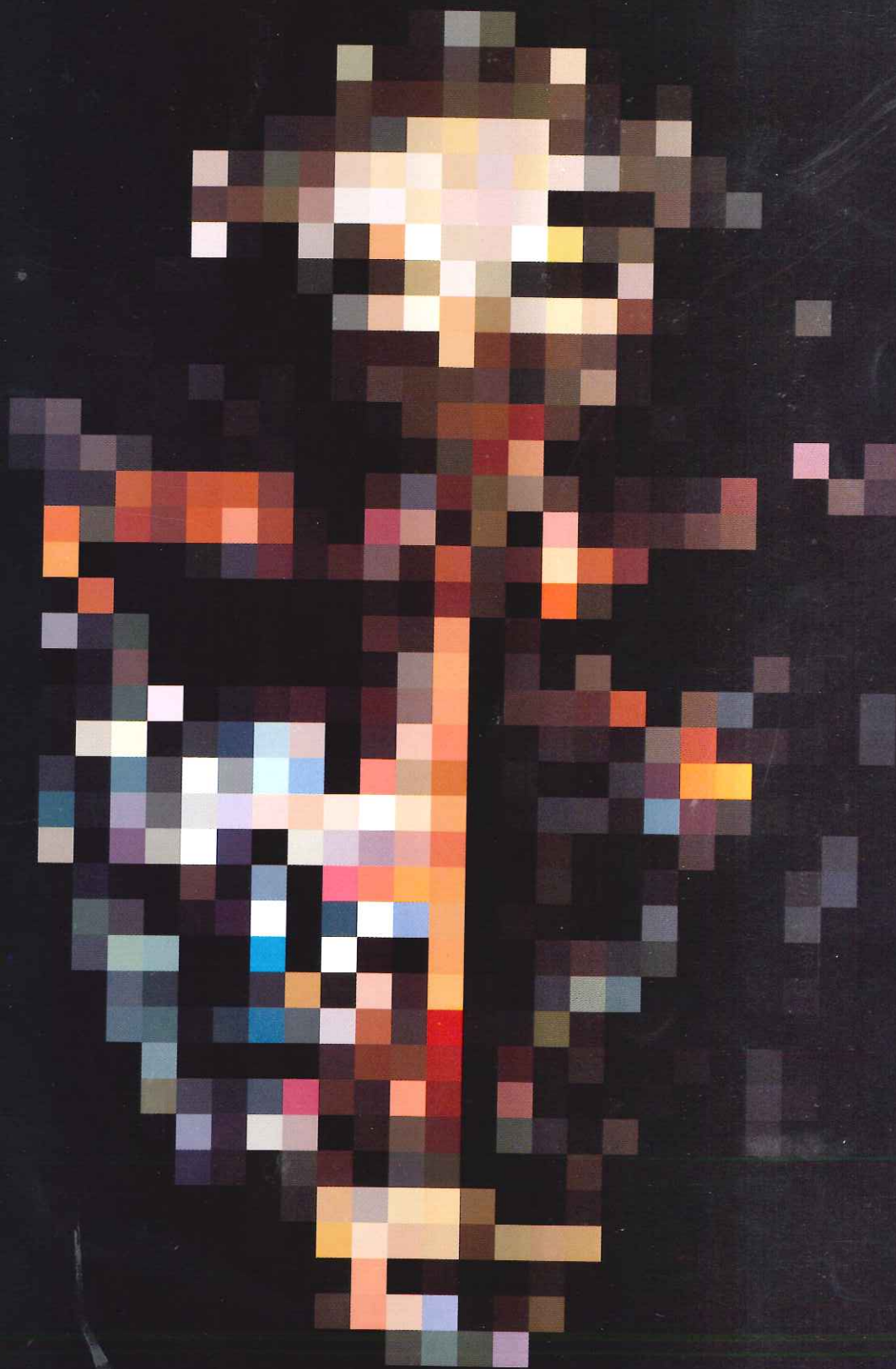


THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

THE FACE OF THE FUTURE
1989 ANNUAL REPORT



A NATIVE AMERICAN PEOPLE PREPARE FOR THE 21 ST CENTURY

ABOUT THE COVER

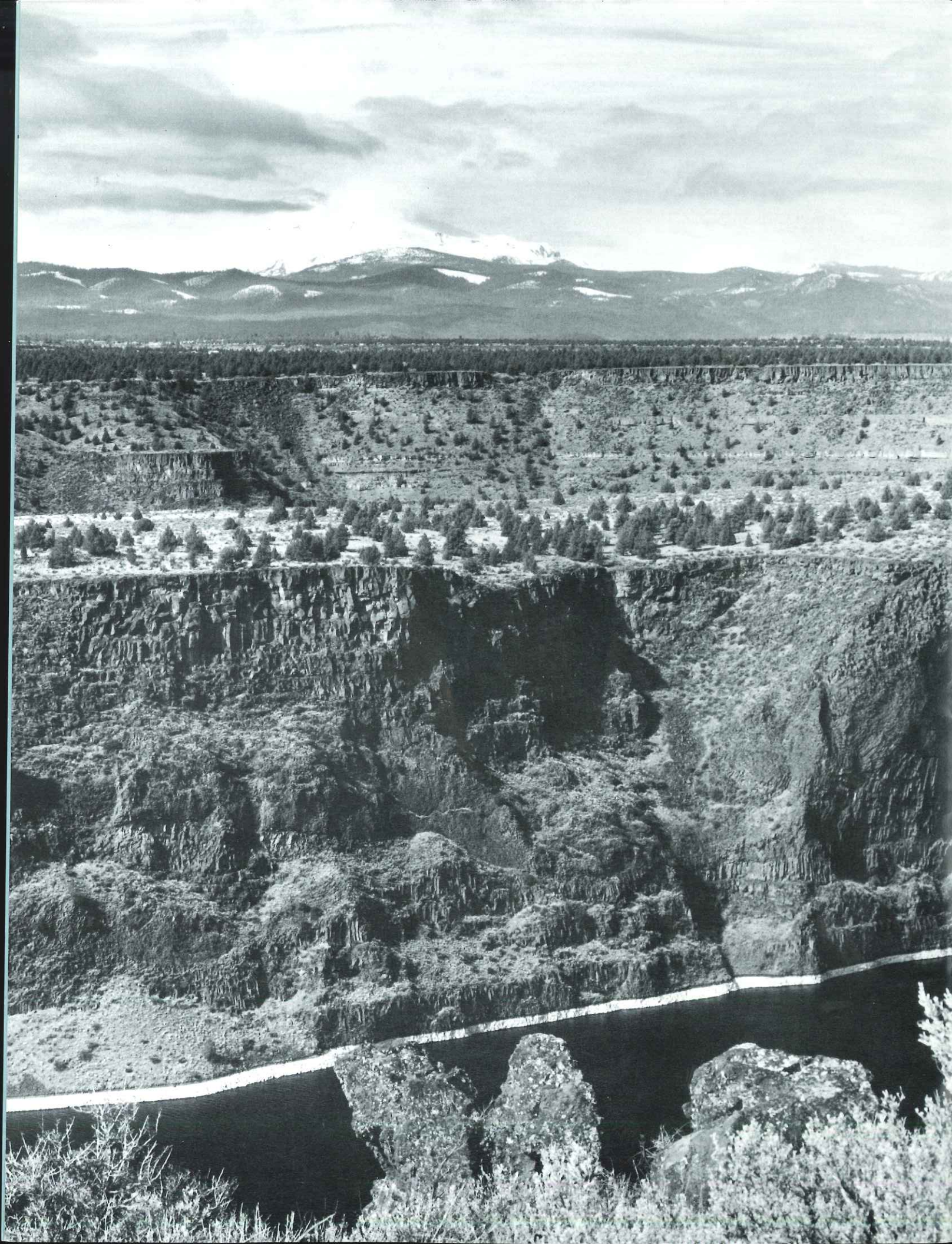
Hawk Spirit is a raku mask by Lillian Pitt, a native of Warm Springs. "The hawk has integrity," she says. "It is wary and alert in providing for its young. It senses danger in the encroachment of civilization, but knows how to survive." Photo courtesy of Ms. Pitt and Portland photographer Dennis Maxwell. The front cover is a computer generated (enlarged pixel) version of the same photo that is shown on the back cover.



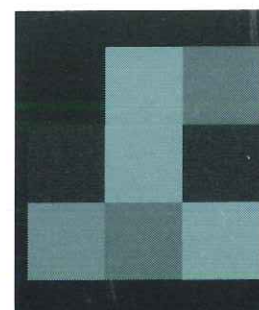
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Tribal Council members (right to left) are Zane Jackson, chairman; Nelson Wallulatum, Wasco chief; Peirson Mitchell, second vice chairman; Rita Squiemphen; Bernice Mitchell; and Jacob Frank, Sr. Tribal Council members not pictured are Delbert Frank, Sr., first vice chairman; Delvis Heath, Sr., Warm Springs chief; Vernon Henry, Paiute chief; Ken Smith, ceo, secretary/treasurer; Brenda Scott; and Karen Wallulatum.



A LETTER FROM THE CHAIRMAN

We are the people of Warm Springs. Our reservation stretches from the high desert of Central Oregon to the thick forests and icy streams of the Cascade Mountains. Nearly 2,200 tribal members and 600 non-tribal members call these lands home. Another 1,000 members live beyond the reservation in surrounding communities. Our Paiute, Warm Springs, and Wasco heritage gives us stability to look confidently into the future. We see hope there, but we also see critical challenges that are the focus of this annual report.

Tribal government alone cannot provide all the solutions. The skills and talents of every tribal member will be needed to achieve the four major goals established by the Tribal Council.

We must maintain political-governmental support for the interests of the Confederated Tribes. Our tribal leaders entered into a treaty with the United States Government 135 years ago. In that treaty we relinquished claim to more than ten million acres and reserved the right to govern ourselves as sovereign people. The federal government, in return, committed to fulfill certain obligations.

We must exercise our sovereign powers through improved tribal laws and better defined tribal jurisdiction. We must continue to contribute to the economic, cultural, and social well-being of the region. And we must educate our neighbors about the rights guaranteed by the treaty. Warm Springs is a nation within a nation – a microcosm of American society. The preservation of our rights helps to ensure the rights of all Americans.

We must increase tribal self-sufficiency. One way to strengthen our sovereign rights is by decreasing our dependence on outside assistance. Federal support for the Confederated Tribes has diminished in recent years. We are also working to create jobs by diversifying our economy and expanding our private business sector. Ultimately, however, the self-sufficiency of our community will grow from the self-sufficiency of its members; our work force must be trained to become more competitive in today's market.

We must enhance the well-being of individual members. The current health crisis is the greatest challenge facing the people of Warm Springs. Urgent steps are needed to foster healthy life choices and prevent premature death. At the same time, dramatic improvements are called for in the educational achievement of tribal students, as well as in the enforcement of drug and child abuse laws.

We must foster a strong sense of individual and community identity. For members of the Confederated Tribes, the values and beliefs of traditional culture are as relevant to the modern world as they

were to our ancient ancestors. Preserving and transmitting those beliefs to future generations is a responsibility we cannot ignore.

As the people of Warm Springs begin the process of planning, several perspectives must be kept in mind. First is that intelligent choices are based on a thorough understanding of the problems. Improving communications is vital. We should insist that important issues and valid opinions receive the exposure they deserve in our tribal newspaper and radio, in our public gatherings and small group meetings.

Second is that our most valuable resource rests within our people. Nothing – not money nor materials, not programs nor management techniques – can replace the contributions of committed individuals. We should applaud effort and honor accomplishment.

Finally, planning entails risk. It means trying new things, experimenting with new solutions. It means accepting the possibility of making mistakes along the way. These are signs of a healthy, active community. We should welcome them.

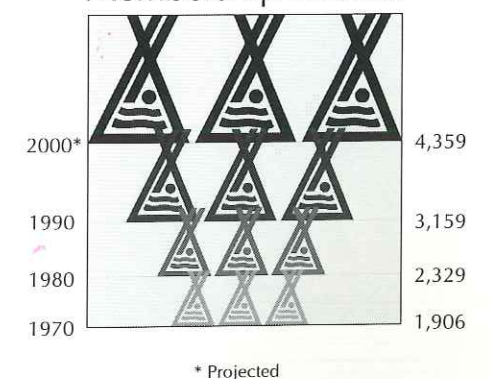
We have reason to be proud; the Confederated Tribes have earned a reputation as one of the most progressive Native American communities in the country. As you read of the outstanding contributions made by our members, remember that the actions we take in the final decade of this century may serve as model for communities throughout our state and nation.

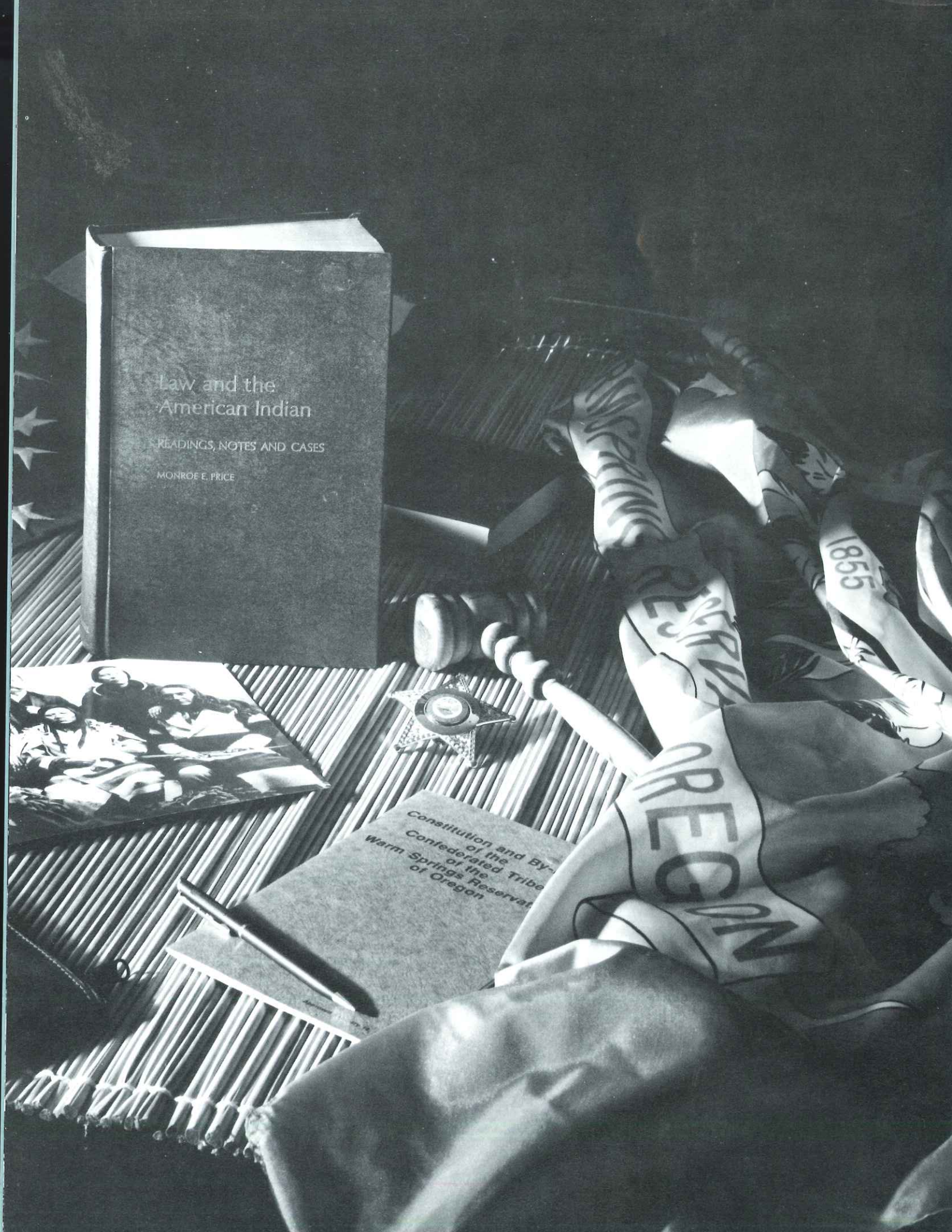
We are the people of Warm Springs. We have worked hard. We have achieved. Now, together, we will shape the face of the future.

Zane Jackson

Zane Jackson
Tribal Council Chairman

Confederated Tribes Membership Growth





PROFILE

Ken Smith

Ken Smith is warm and open, as ready to laugh as he is to tackle tough government issues. These are important qualities for a man who holds the dual position of CEO/Secretary-Treasurer for the Confederated Tribes. Ken earned a degree in Business Administration from the University of Oregon then returned to Warm Springs where he served as general manager for ten years. In 1981 he was appointed Assistant Secretary for Indian Affairs for the U.S. Department of Interior, a post he held through 1984. He has managed his own consulting firm and served on a number of prestigious boards. "Growing up with my grandparents in Warm Springs gave me a strong sense of identity," he says. "It gave me a reason for working to improve our way of life and our whole society."



TRIBAL GOVERNMENT

For the eleven-person Tribal Council and the 500 governmental employees, made up of managers, supervisors, and service providers, the challenges of the coming decade are to increase productivity and redefine the role of government.

"Healthy government changes as the needs of the community change," said Chief Executive Officer and Secretary/Treasurer Ken Smith. "Its aim should be to facilitate the innovative ideas of the people, not to dominate. Warm Springs government cannot continue to grow. It can, however, become more efficient and more responsive to those it serves."

Smith cites last year's restructuring as a step toward improving government efficiency. Administrative levels within the organization were reduced. Duplicate programs were integrated, bottlenecks were reduced, and a larger percentage of government employees were assigned to the direct delivery of services. "There are still improvements to be made," Smith said. "But tribal members and outside suppliers can now conduct business with tribal government more quickly."

Another step in increasing productivity is a job training program being designed for employees at every level. The program should get under way later this year.

Council Chairman Zane Jackson adds that some government functions could be better handled by private businesses. He recommends spinning off operations, such as the automotive garage and the printing shop, to qualified tribal members who can improve the services, expand the customer base, and create jobs.

The decade will also bring expanded legislation from the Tribal Council in matters related to the sovereignty of the Confederated Tribes. Environmental and worker safety measures, based on federal EPA and OSHA regulations, are already being studied. "If we don't have good laws on our books, we'll be expected to follow someone else's," said Smith. "We must protect our right to protect ourselves and our resources."

Comprehensive legislation for the management of natural resources will soon be on the Tribal Council agenda. The new laws, slated for approval by 1993, will encompass the preservation and utilization of reservation waters, forests, plants, wildlife, game, and fish within the context of Native American culture and methods for enforcement.

For the Tribal Court, the challenges of the '90s require equal measures of sophistication and simplicity. The court must address the complex legal philosophy surrounding sovereignty and integrate cultural values more fully into civil law.

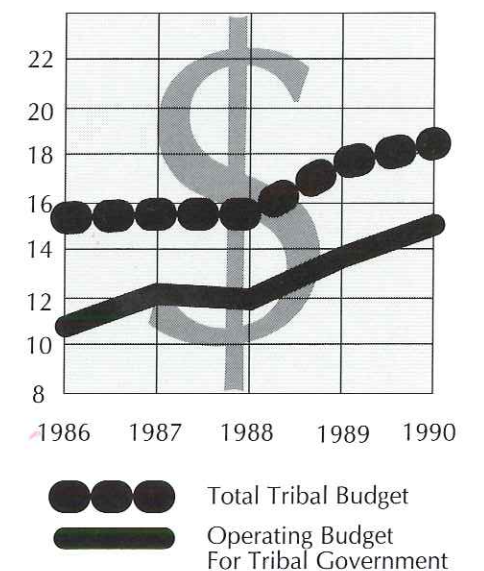
At the same time, court proceeding should be conducted in a manner that ordinary citizens can understand. By appointing judges with greater experience and by adding trained legal professionals to every level, the Tribal Council expects efficiency and prosecution to improve within the court system.

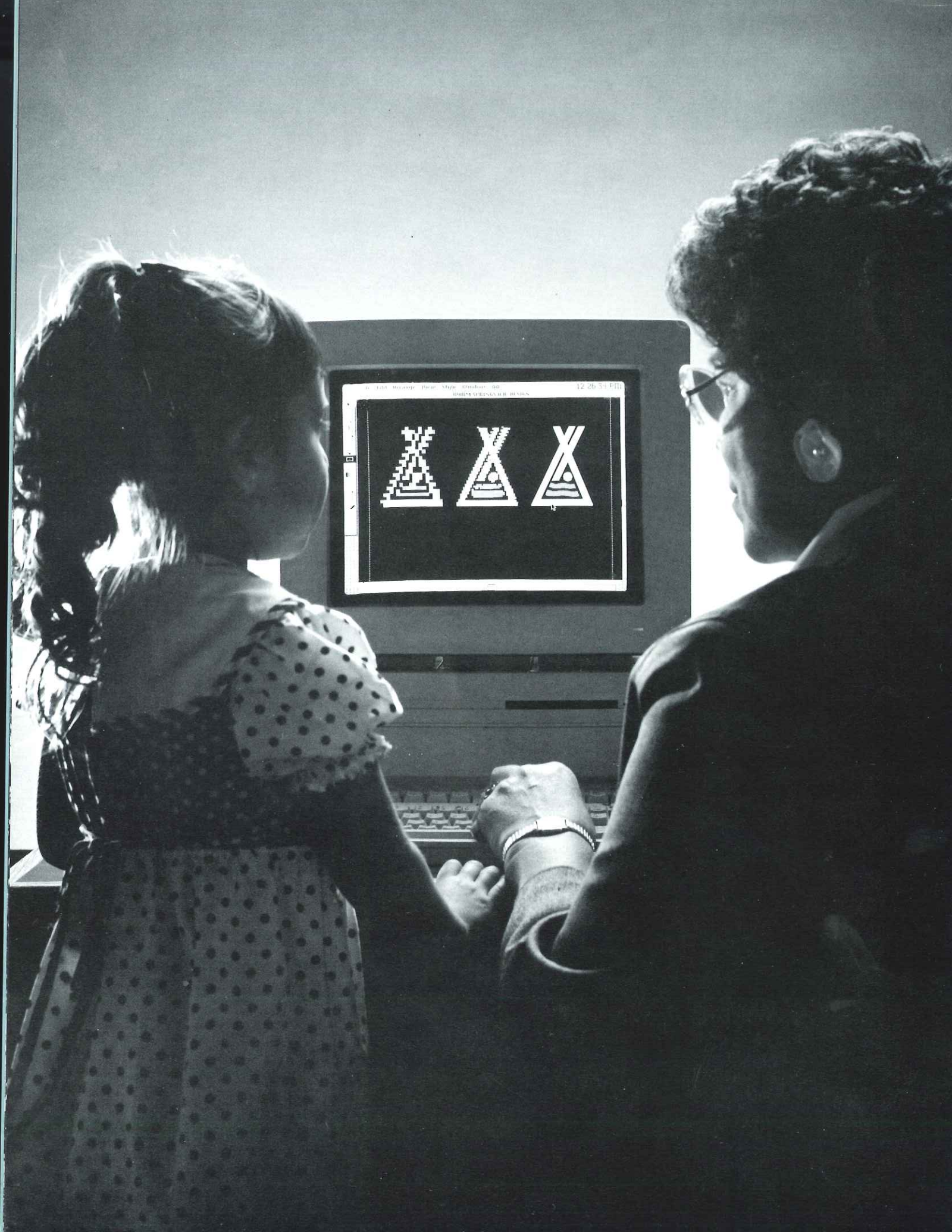
The '90s bring fresh priorities for law enforcement, as well. "Tribal police will encourage self responsibility by helping set up neighborhood watch programs and by participating in safety campaigns," said Smith. "They will also have a stronger mandate for enforcement, particularly in the areas such as child and substance abuse."

A final challenge is educating tribal members and neighboring communities about the operations of Warm Springs government. A recent workshop, "How To Conduct Business With The Confederated Tribes," was conducted for business and civic leaders throughout Central Oregon; positive response indicates additional workshops are welcome. In fall 1990, tribal management will initiate a series of seminars on government for tribal members. Similar information is being added to the curriculum of county schools attended by tribal students.

Improving efficiency and redefining government's role are difficult challenges. Their solutions, however, promise a better life for the people of Warm Springs and Central Oregon.

Tribal Budget (In Millions)





PROFILE

Warm Springs Head Start

The Warm Springs Early Childhood programs have long been recognized as a model in the Northwest. Julie Mitchell, director for the tribal Early Childhood Center, credits the staff of teachers and administrators who have excelled despite limited resources. "No child is an isolated individual," Julie says. "Each lives in a family, a community, a culture. Each brings a unique medical and developmental history. The aim of our staff has been to integrate learning within that broader context."



EDUCATION

Tribe Chief Vernon Henry recently voiced the concern of every Warm Springs parent and grandparent. "We must develop our human, natural, and economic resources," he said. "We must strengthen our families and improve housing and health care. Education is vital if we are to accomplish these goals. Education is our hope for the 21st Century."

Serious challenges must be overcome if Chief Henry's hope is to be realized. Limited space in the reservation's preschool programs forces parents to wait months before enrolling their children. Achievement scores indicate that tribal elementary students lag behind national norms and non-Indian pupils in the local school district. The same scores suggest they fall farther behind each succeeding year. Absenteeism is high. So are dropout rates among tribal high school students.

Community attitudes also affect education. "The relative economic success of Warm Springs families has encouraged young people to view education as an option," said Sal Sahme, general manager of tribal Human Services. "But jobs may be limited in the future. As a community, we have to raise expectations for academic achievement. Young people must be motivated to prepare for a competitive job market on and off the reservation."

Tribal leadership has responded to these challenges by setting an aggressive goal: by the Year 2000 the tribal student body will score among the top ten percent in national achievement norms.

The people of Warm Springs are taking that goal seriously. The tribal Education Department has long assisted members taking college-credit courses. But to ensure continued financial support for college and vocational students, voters appropriated \$6 million from tribal funds in 1987 as a permanent scholarship trust. Special incentives are also available to students entering professions deemed critical to the future of the Warm Springs community - business, law, nursing, forest management, biology, etc.

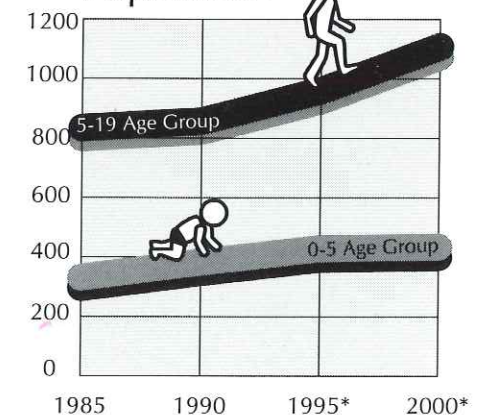
Funding alone is not the answer. "Let's be innovators," said CEO Ken Smith. "Who says learning must stop in the summer? Perhaps the Tribes can create a two-month course in life skills

and environmental studies to fill the gap for elementary and secondary students. Let's meet with county school officials and suggest ways to improve the performance of our high school students. If traditional education and training methods aren't working, let's create ones that do."

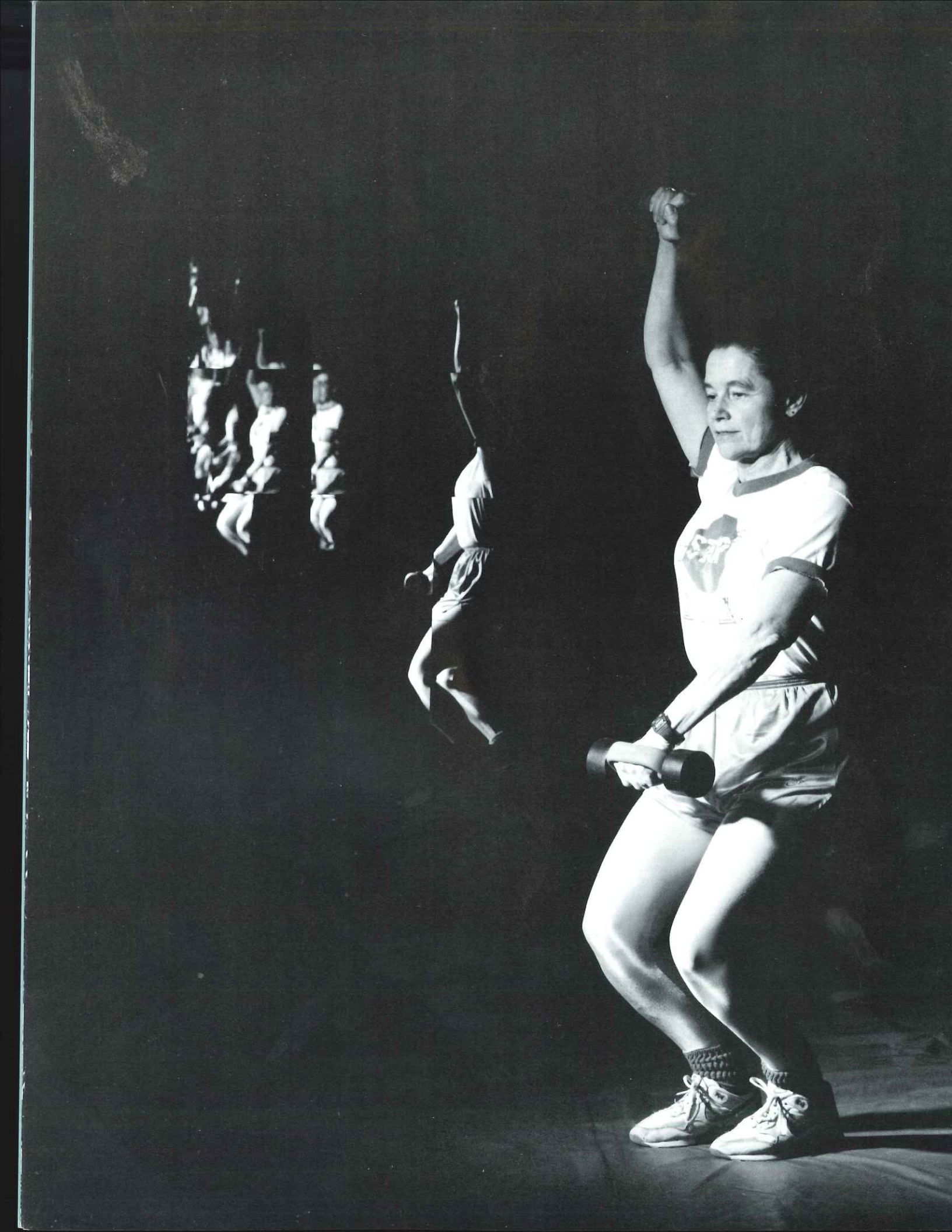
The Confederated Tribes have already gained a reputation for educational innovation. Tribal representatives are playing a leading role in shaping a state-sponsored plan to improve education for Native Americans. The Warm Springs Early Childhood Program, including child care, Head Start, and early intervention components, has earned the praise of state, regional, and national educators. In mid 1990, construction will begin on a \$4.5 million Early Childhood Learning Center designed to accommodate every child currently waiting to enroll. That Center represents the first phase of a central campus called the Community Learning Center. When completed early next century, the central campus will feature preschool and elementary programs, vocational training, and classrooms for local college and university extension courses.

"We never stop learning," added Sahme. "From birth to death, human existence is a cycle of learning. Education is our hope. It will take all of us to make that hope a reality."

Warm Springs Childhood Population



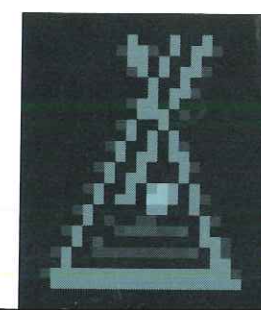
* Projected



PROFILE

CHAMPs

CHAMPs (Community Health Action Mobilization Planners) is a coalition of volunteers whose goal is to mobilize churches, leaders, family counselors, teachers, schools, police departments, and other community groups in helping tribal members adopt healthier lifestyles. Initiated in early 1989, CHAMPs believes effective health education must involve the entire Warm Springs community. "We must take ownership of our own health," says Coordinator Judy Charley. "By working together, we can improve our health, enhance our self-esteem, and preserve our way of life." The group has become a focal point for community health promotions. It has also captured the attention of health professionals throughout the nation.



HEALTH AND HOUSING

Health is clearly the Confederated Tribes' most critical challenge. A recent Community Health Report indicated that of nine leading causes of death, seven occur with greater frequency on the reservation. The same report found that birth rates among tribal teenagers run more than 3.5 times higher than state averages, and that birth rates among other age groups of tribal women are at least twice as high.

Compiled in cooperation with Stanford University, the Centers for Disease Control, and Indian Health Service, the First Annual Community Health Report was a milestone for the Confederated Tribes. It quantified community health status for the first time and established a baseline for measuring improvements.

The report contained a strategic health plan that tribal leaders began formulating two years ago. Its goal is ambitious: transform Warm Springs into the nation's healthiest Native American community by the Year 2000. Specific strategies are (1) to develop a responsive health-care delivery system, (2) to create an information system that can effectively measure and evaluate health status, (3) to educate and motivate the community regarding health issues, and (4) to build consensus among community leaders on how to address the health problem.

Other steps have been taken, as well. The Council has assumed direct responsibility for monitoring community health status, a function formerly performed by the Indian Health Service. The tribal clinic and other health-care centers are targeted for improvements ranging from expanded facilities to new emphasis on "wellness". The clinic is also testing innovative programs, such as Intensive Outpatient, in which patients with non-critical illnesses are carefully supervised by clinic professionals and family members instead of being hospitalized outside the reservation.

Effective as these measures may be, they are not enough. "Most of our health problems are attitudinal and are, therefore, preventable," said Sal Sahme, general manager of tribal Human Services. "But government policies do not lower cholesterol or teach young people to avoid drugs. Individuals adopt healthy habits when encouraged and supported by family and friends. Prevention must be community based."

Tribal health-care dollars have been reallocated to provide adequate funding for prevention programs. Community-based support groups have been established recently for members recovering from substance abuse, and a screening program early this year discovered an encouragingly low percentage of substance abuse among tribal employees. This spring, a "None for the Road" campaign will initiate a series of community-

sponsored promotions aimed at educating members about health issues.

Motivating thousands of people to improve health habits is a task many communities face. For the people of Warm Springs it is a matter of life and death.

Housing

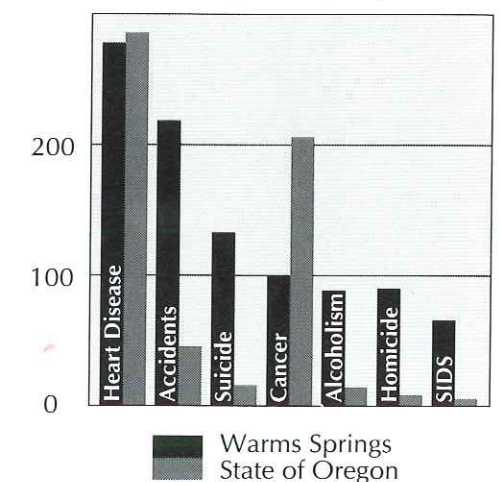
With a projected population increase of nearly forty percent in the next ten years, housing is an important issue for the people of Warm Springs. Nearly all reservation lands are owned corporately by the Tribes, and most community members either lease tribal lands on a long-term basis or rent short-term units from the tribal government. The challenge here, according to Public Utilities Manager Ed Manion, is to match housing with population trends.

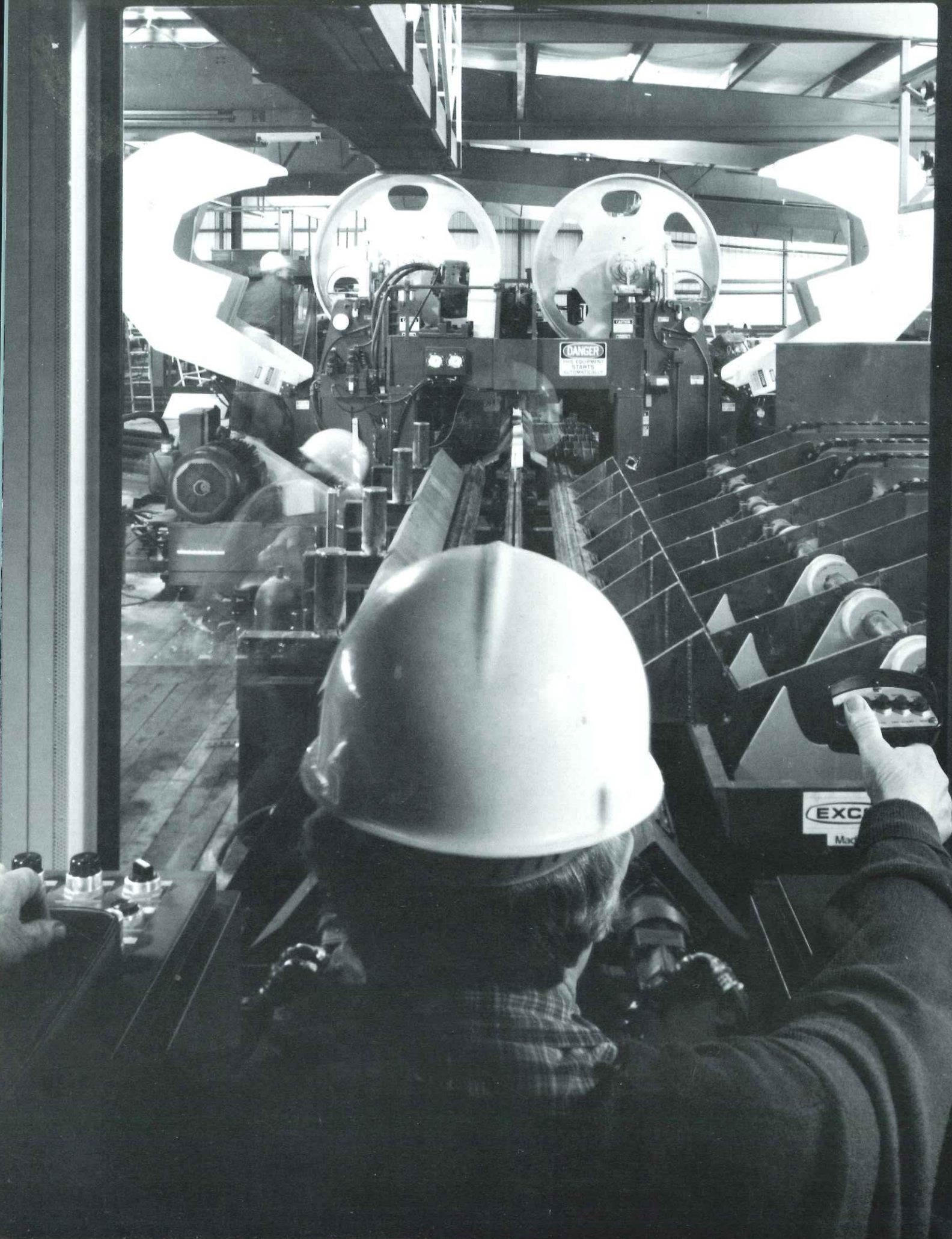
"Demand is up substantially as more young people decide to remain on the reservation," Manion said. "Our investment in housing must grow if we are to keep pace."

Forecasts call for as many as fifty new single-family homes each year for the next five years. Some of that construction will occur in existing neighborhoods where expansion space is available; the rest require developing new residential areas. The need for short-term duplexes and apartments is continually evaluated; twenty such units are slated for building in the near future.

As with health, the issue of housing will demand close attention in coming years.

Leading Causes Of Death (per 100,000)





PROFILE

Kah-Nee-Ta

For the staff of Kah-Nee-Ta, the 170-room vacation resort owned by the Confederated Tribes, 1989 ranks as a banner year. Revenues were up nearly \$1 million over the previous year, and convention business soared 70 percent. Occupancy during the peak season reached a hectic 90 percent. One reason for the success is a "Positive Employee Profile" program instituted by Ron Malfara, the resort's new manager. "We encourage staffers to take the jobs they enjoy most," Ron said. "We want our employees to have a career, not just a place to work." He added that improvements to the lodge and recreational facilities helped draw visitors and keep them coming back.



ECONOMIC GROWTH

Warm Springs boasts a thriving economy. In 1989 more than 1,400 employees earned nearly \$27 million in wages on the reservation. Tribally owned enterprises, such as Warm Springs Forest Products Industries (WSFPI), the Kah-Nee-Ta resort, and the hydropower operation, all performed well.

Tribal government and enterprises account for some 80 percent of reservation jobs, making the Confederated Tribes the largest employer in Central Oregon. Federal agencies and county schools represent another 10 percent; a modest private sector provides the remainder. And while most employees are tribal members, a substantial number commute from surrounding towns.

These indicators, though encouraging, hint at challenges that must be met. A lack of diversification makes Warm Springs heavily dependent on the timber industry. In addition, 700 new jobs will be needed by the end of the century for the reservation's growing labor force — far too many for government to provide.

Tribal officials are tackling the problems. "Last year we set up an Economic Development Department that works full time to improve our economy," said tribal CEO Ken Smith. "During 1990 we will be examining ways to create a more favorable climate for business expansion."

Smith explains that government policies are being developed to encourage economic growth. He points to needed improvements in the reservation's roads, utilities, sewers, and other basic infrastructure systems vital to business. In coming years, telephone service will be improved to outlying areas, and electrical service will be upgraded to ensure adequate back up for the reservation's power supply.

One method for building the economy is diversifying within industries already served by tribally owned enterprises. Officials are actively seeking new opportunities for Warm Springs Apparel and KWSI, the Tribes' commercial radio station.

But the most notable expansion of tribal enterprise is a new, state-of-the-art lumber mill, which will open in mid 1990. Located next to WSFPI's older large-log operation, the new mill is designed to handle small and second-growth timber. A portable chipping plant may also be forthcoming that can utilize culled logs anywhere on the reservation.

"By pursuing additional marketing opportunities for existing timber resources, from stumpage to finished lumber, we can generate additional jobs and revenues without adding to forest cuts," Smith

said. "In fact, total cuts on the reservation have declined."

For Charles Jackson, head of the new Economic Development office, conserving forest resources and obtaining the maximum return on tribal timber makes long-term economic sense. "Our forests represent business capital that we must reserve for the future," he said. "Right now, ninety percent of our revenues derive from natural resources, primarily timber and hydro," Jackson said. "We must diversify by using forest profits to fund non-forest ventures."

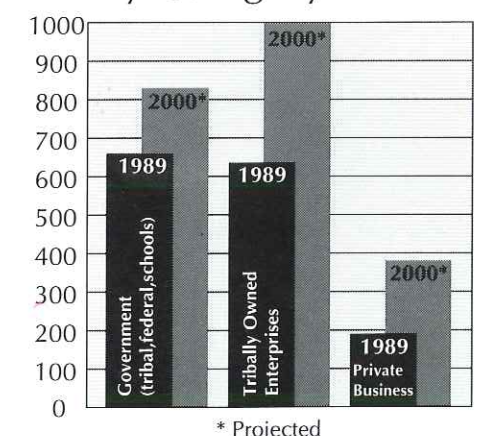
What form will those new ventures take? Suggestions include investing in companies beyond Warm Springs. But tribal leaders agree that the bulk of economic growth must come from the private sector. "There is no end of opportunity here for tribal entrepreneurs," said Council Chairman Zane Jackson.

By 1995, an enlarged irrigation system will make hundreds of additional acres available to independent farmers and ranchers. Many government services will likely be assumed by tribal contractors. And tourism — rafting, fishing, hiking, camping — is still a largely untapped market in Warm Springs.

Tribal leaders are also planning a business and commercial center along Highway 26 where as many as 11,000 vehicles pass in a single day. Construction should begin in 1991. Space will be available for independent retail shops, a bank, the tribal credit enterprise, and such professional services as lawyers and accountants.

The economic challenges of the 21st Century are real. But so are the opportunities. All that is needed is confidence and a sense of individual self-sufficiency.

Reservation Jobs By Category





PROFILE

Lillian Pitt

Mask maker Lillian Pitt, a native of Warm Springs, tried her hand as a beautician and as a social services worker before enrolling in a ceramics class some ten years ago. "It was love at first touch," she says. Her first sale was to Southwest artist R.C. Gorman. Since then, Lillian's masks have appeared in museum and gallery exhibitions throughout the nation and in Japan. "My masks are not intended for ceremonial use, but they do reveal my feelings about the land, the trees, the animals, and the ancient ones," she says. Lillian has been selected as one of five recipients for the 1990 Oregon Governor's Award for the Arts.



CULTURE

The cultural education of tribal members is of equal or greater importance to the long-term welfare of the Tribes as traditional schoolroom education. It provides a foundation for the continuance of the Tribes as a distinct political and cultural entity.

This passage, taken from the Tribal Antiquities Ordinance, underscores the Confederated Tribes' commitment to traditional culture. That culture is rich, the product of three tribal peoples. It is ancient, a conduit for ceremonies practiced by distant ancestors. And it is modern, a solid identity in a world of computerized data and shifting values.

Legislation protects a wide variety of cultural resources. Treaties guarantee traditional fishing, root, and berry sites. Congress, through the American Indian Religious Freedom Act, assures the right to practice traditional beliefs. Tribal laws levy penalties against those who disturb archaeological, historic, and cultural sites or materials without the consent of the Tribal Council.

But the cultural challenge of the Confederated Tribes goes beyond legislation. "We must prepare ourselves for the modern world while maintaining our cultural identity and social unity," said Warm Springs Chief Delvis Heath.

"Faith and patience have held our people together since the first contact with Europeans," added Wasco Chief Nelson Wallulatam. "They have been our strength. I see a resurgence of traditional life. Faith and patience, together with technology, are bringing much of what we lost back to life."

That process has already begun. A \$4.5 million museum under the charter of the Middle Oregon Indian Historical Society will begin construction in 1990. The museum will function as a living cultural laboratory. Its computer archives will track all known ancient, historical, and cultural sites on tribal lands. Modern preservation techniques will restore artifacts. Community ceremonies, religious beliefs, and traditional skills will be documented so that they can be passed on to future generations. For non-Indian visitors, the museum will serve as a bridge of understanding to Native American life.

Traditional culture is moving into education, as well. The tribal preschool curriculum includes activities based on the cultural calendar: story telling in winter, root digging in spring. In a

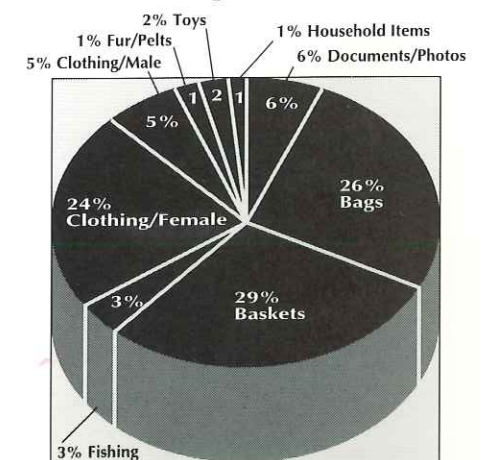
program developed with the help of older tribal members, Head Start pupils are introduced to the Sahaptin language. Tribal educators also plan to work with the county school district in adding cultural studies to junior and senior high school courses.

In recent years, traditional values have exerted a stronger influence on the management of natural resources. "Forests are not our only resource," said First Vice Council Chairman Delbert Frank. "The roots, berries, and moss that grow in the forest have value for us, too. Grass is a resource, not just for cattle and horses, but for deer, elk and other grazing animals. Clean water is a resource for the salmon and trout. We must protect all habitats that have special significance for us."

Frank is involved in a task force that is mapping out standards for integrated resource management. Drawing on the expertise of biologists and foresters, the group will compile a comprehensive plan for managing the natural resources of the entire reservation within the context of cultural values. When completed, the plan could well serve as a model for communities throughout the Northwest.

A healthy culture is alive. It grows out of how a community lives, out of what it says and believes. Preserving the heritage of Confederated Tribes is a responsibility of every tribal member. Only we can determine what we will become. Only we can shape the face of the future.

1989 Acquisition of Artifacts by Cultural & Heritage Dept.



Total Cost \$ 49,150



